

Message Text

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47

ACTION EUR-12

INFO OCT-01 ISO-00 L-02 H-01 PA-01 PRS-01 USIA-06 EB-07

AID-05 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 TRSE-00

XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01

NSC-05 SS-15 STR-01 CEA-01 NEA-09 /091 W

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R 241455Z FEB 75

FM AMEMBASSY ATHENS

TO SECSTATE WASHDC 7585

INFO USMISSION EC BRUSSELS

USMISSION OECD PARIS

AMCONSUL THESSALONIKI

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EO 11652 NA

TAGS: EGEN ECON EFIN GR

SUBJECT: DRACHMA DISENGAGEMENT FROM DOLLAR TIE

REF: (A) ATHENS 1278; (B) ATHENS 279; (C) ATHENS

9074, 12/23,74

BEGIN UNCLASSIFIED

1. ACCORDING WEEKEND PRESS REPORTS, OFFICIAL ANNOUNCEMENT RE DRACHMA DISENGAGEMENT FROM DOLLAR TIE EXPECTED THIS WEEK. VALUE OF DRACHMA TO BE DETERMINED BY BASKET OF CURRENCIES, WITH RATE FIXED DAILY BY BANK OF GREECE. THE WEIGHT OF EACH CURRENCY IN BASKET WILL BE DETERMINED BY ITS IMPORTANCE IN TERMS OF IMPORTS, EXPORTS, INVISIBLE EARNINGS, AND CAPITAL INFLOW.

2. PRESS SPECULATES THAT "BASKET" WILL PROBABLY INCLUDE DOLLAR, DEUTCHE MARK, FRENCH FRANC, AUSTRIAN SCHILLING, DUTCH GUILDER, BRIT POUND, ITALIAN LYRA, SCANDINAVIAN CURRENCIES, SPANISH PESETA, AND PERHAPS OTHERS.

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3. PRESS ATTRIBUTES GENESIS OF NEW SYSTEM, WHICH IS DESCRIBED AS "CONTROLLED FLUCTUATION," TO NEED FOR GREATER STABILITY IN GREECE'S INTERNATIONAL TRANSACTIONS. PAPERS COMMENT THAT NEW SYSTEM DOES NOT MEAN REVALUATION OR DEVALUATION OF DRACHMA, AND NO SIGNIFICANT CHANGES ARE EXPECTED. END UNCLASSIFIED.

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4. STRIKING SIMILARITIES IN VARIOUS REPORTS SUGGEST THAT LEAK WAS DELIBERATE AND FROM OFFICIAL SOURCE. DEPUTY GOV BANK OF GREECE KYRIAZIDES CONFIRMED TO EMBOFF THAT DEFINITE DECISION HAS BEEN MADE TO MOVE AWAY FROM DOLLAR. SPECIFICS OF PLAN WILL BE ANNOUNCED "VERY SOON." DRACHMA VALUE WILL BE DETERMINED BY BASKET OF CURRENCIES, COMPOSITION OF WHICH WILL CHANGE FROM TIME TO TIME DEPENDING ON SHIFTS IN TRADE OR ECONOMIC RELATIONSHIPS. END LIMITED OFFICIAL USE. KUBISCH

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Message Attributes

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Margaret P. Grafeld
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